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C O N F I D E N T I A L SECTION 01 OF 03 NICOSIA 000193

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DEPARTMENT FOR EUR/SE, EUR/ERA, IO/UNP

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SUBJECT: CYPRUS: UN'S DOWNER REMAINS REASONABLY OPTIMISTIC

REF: NICOSIA-EUR/SE EMAIL OF 3/13/09

Classified By: Ambassador Frank C. Urbancic, Reasons 1.4 (b), (d)

¶1. (C) SUMMARY: UN Special Adviser Alexander Downer remains reasonably optimistic the Cypriot leaders can make a notional deal by late 2009 or early 2010, although he acknowledges the sides' substantive differences have yet to narrow much. In a March 12 tour d'horizon with the Ambassador, Downer outlined his new public message, evaluated progress achieved in the governance and property chapters, and charted out future discussions. He ventured that breakthroughs on CBMs were forthcoming, cautioned that UNFICYP's continued presence on Cyprus was not a given, and previewed his reporting plan for the Security Council. Downer also stumped for greater international support for T/C leader Talat in order to help Talat's electoral chances, lambasted EU contributions toward his mission, and bemoaned UN prohibitions over him using the north's Ercan Airport. END SUMMARY.

Downer's Current Message: Get On With the Bloody Thing

- 12. (C) UN Special Adviser Alexander Downer on March 12 paid a 90-minute call on the Ambassador, raising numerous sensitive areas of the ongoing Cyprus negotiations. Downer stressed he was sharing the information only with the U.S. and UK. Please protect, as Downer is extremely sensitive to having leaks circle back to him, and likely would stop providing us with detail if he believed we were sharing his briefings outside USG channels.
- 13. (C) He began by outlining his public message regarding the talks. In a recent visit to a Turkish Cypriot university, he had urged students and faculty "not to blame others for your problems, don't look to us (the UN) to solve them, and take responsibility for your own country." The UN had been on Cyprus for 45 years, he explained, but would not be here forever. Downer did not believe his message would trouble T/Cs, who enjoyed the Turkish Army's protection. But it would disturb Greek Cypriots, who, along with Greece, paid a third of UNIFCYP's costs and wanted the troops to remain. "That arrangement really doesn't fit well with me," Downer offered. (Note: In a day-later briefing to the diplomatic corps, the UN envoy repeated his admonition over the UN's non-permanence on Cyprus, adding that, were the blue helmets to leave, the G/Cs would be forced to negotiate with the Turkish Army -- to them, an unpalatable prospect.)

Latest on Property) Still a Tough Nut

14. (C) Downer turned next to leaders Demetris Christofias and Mehmet Ali Talat's discussions on property, which had ended with the sides still far apart. Turkish Cypriots had

agreed that all residents enjoyed a right to property, but insisted this right could not be allowed to dilute bi-zonality, which was enshrined in thirty years of UN resolutions and work. There also existed great differences over the basis for compensation for lost land. Greek Cypriots had wanted compensation based current value -- an impossibility, Downer observed, given the likely worth of USD 20-30 billion. Nor was there agreement on the G/C demand that legal persons (the Church, mainly) have the same rights on property as natural persons. A UN-contracted expert was currently poring through European Court of Human Rights (ECHR) cases, looking for applicable precedents.

But Some Recent Progress on Governance

15. (C) Although the leaders had ended discussions on governance, the UN and the sides' experts remained engaged, Downer informed. His staff was pushing two proposals to break the impasse on the federal executive model (G/Cs want a strong executive composed of a president and VP elected on a joint ticket, while T/Cs favor a weak executive based on the Swiss model, featuring a rotating presidential council.) The UN's first option, which looked similar to the Greek Cypriot proposal, was a compromise arrangement that entailed 20 percent of each community's voters casting ballots in the other's election. The system was designed to answer a T/C criticism of the G/C joint-ticket plan: that, because G/Cs were far more numerous, they could in effect elect both their community's representative and the T/C's. Downer thought that Greek Cypriots likely would support the UN compromise

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but that T/Cs would not, claiming it would hurt nationalist/right-wing parties like UBP (as the 20 percent from one community would certainly vote against the other's nationalist force), who would therefore campaign against a referendum to legitimize this arrangement.

16. (C) The UN's alternate plan envisaged a South Africa-type structure with the bi-communal senate (with equal members from each community) picking the chief executive. The upper house election of the president was a feature of the current T/C proposal, but the UN compromise would create a far stronger executive -- the president, not the senate, would choose the cabinet, for example -- and thus be more acceptable to Greek Cypriots. Downer thought the G/Cs could live with it.

Optimistic First Pass Through Issues Will Finish Soon

- 17. (C) Downer believed the leaders would finish their first pass through the core Cyprus Problem chapters by early May. Privately, Christofias and Talat had agreed to conclude EU matters and economic issues before T/C "parliamentary" elections on April 19. Shortly thereafter, they would tackle the final two issues, territory and security/guarantees. On the former, the 2004 Annan Plan must be the leaders' base point for talks, while on the latter, the leaders likely would make the quickest possible reading, since their positions were so distant and because this chapter would involve other parties (the guarantor powers) not currently at the table.
- 18. (C) By late spring, they and the UN would begin "Phase II" -- a study of areas of medium convergence that still required bridging solutions. Downer did not expect major format/framework changes in Phase II. &The Great Game, begins with Phase III, 8 he predicted, when Christofias and Talat would engage in real give-and-take in an attempt to reach a deal.

19. (C) Talk of "TRNC parliamentary" elections and the need to help Talat's CTP party chances has peppered the leaders' and negotiators' meetings lately, Downer noted. A March 17 meeting between the Greek Cypriot and Turkish Cypriot chambers of commerce, at which Talat and Christofias would speak, was part of the unofficial plan to aid CTP. Confidence-building elements represented another element. Downer admitted he had not been focused on CBMs, but now realized they could spur movement on core issues by improving the atmosphere. He and deputy Taye-Brook Zerihoun had been pressing G/C chief negotiator George Iacovou, trying to get the G/Cs to relent on their opposition to CBMs over fears they spawned "creeping TRNC recognition." Six-hundred thousand dollars in UNDP-channeled, USAID seed money was available to help spur momentum, he added.

Limnitis Crossing) A Deal Looks Closer:

- 110. (C) Topping the UN to-do list was the proposal for a buffer zone crossing at Limnitis in northwest Cyprus. The major remaining pothole -- a Turkish Cypriot demand that the UN escort fuel trucks from Limnitis to the T/C military enclave at Kokkina -- remained "toxic" to G/Cs. But perhaps the G/Cs could supply electricity to Kokkina, obviating the need for fuel convoys? (Note: this was actually the Embassy's idea, raised earlier in a meeting with UNFICYP officials). Downer had pitched the compromise first to T/C chief negotiator Ozdil Nami, who seemed receptive. Iacovou unofficially called the proposal a "good idea," but never formally responded with the G/Cs' position.
- 111. (C) Despite Downer's "pre-cooking," the leaders, who had discussed Limnitis at their March 11 meeting, did not debate the UN compromise in detail (in separate out-briefs with Downer after the leaders' lengthy one-on-one, Christofias claimed he had raised the compromise but got no substantive response from Talat, while Talat told Downer that Christofias had offered nothing new.) Downer had mentioned it again with Talat on March 12, pushing him to accept the deal and another CBM regarding ambulances and announce them at the March 17 joint chamber event; the T/C leader promised to consult with the Turkish Army (Note: it does not appear

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Talat mentioned the CBMs at the chambers meeting). Downer also had pitched the idea to Turkish MFA U/S Ertugrul Apakan, who seemed lukewarm to it. Before switching topics, he requested the Ambassador to urge Ambassador Jeffrey in Ankara to lobby Apakan further on this Limnitis proposal. (Note: we understand from our UK colleagues that Iacovou shot the compromise down and that CBMs remain stuck. Ambassador will meet T/C negotiator Nami on March 19 to discuss CBMs.)

Ongoing UN Peacekeeping Role TBD?

112. (C) UN patience on Cyprus was wearing thin, Downer alleged, arguing that "this effort should be last roll of the dice." That said, and despite G/C insistence for a "Cypriot solution," UN help was still vital to deliver a solution. If the current process failed, however, Downer believed the UN ought to re-assess its presence here. "There are too many other competing needs, while here there's no suffering," he analyzed. UNFICYP's status should definitely be in play as a tool to spur movement or counter intransigence, especially Greek Cypriot. The international community should use the next rollover renewal (in June) to "inject a bit of uncertainty" on the force's future, Downer concluded.

Report to UNSC Could Slip

113. (C) The Good Offices Mission's report to the Security Council would be verbal, not written, Downer promised. This tack would eliminate or reduce unproductive battling over language. Its timing was still in question, however. Downer preferred late April (his daughter's upcoming wedding is one reason.) But he feared the actual date could slip until early May.

EU Role in Cyprus Process a Disaster

114. (C) Venting, Downer blasted Brussels' CyProb role. "I thought the UN bureaucracy was bad," he chuckled, "but the EU, especially the Commission, is f-ing awful." After two months of delays in securing an EU technical expert, Brussels officials had identified one -- a Dane named Sorensen, currently in Serbia -- only to change their minds, leaving the Cyprus discussions on EU matters to begin (and, as of March 18, end for this phase) without an expert on hand. In response, the Good Offices Mission would have to hire a part-time consultant. "Brussels generally treats Turkey like sh-t," the never-bashful Australian continued, "and they're overplaying their hand if they think the Turks will go begging."

Travel Woes, With Ercan Off-Limits

115. (C) Downer concluded the meeting by complaining about air links. The UN's prohibition over using Ercan Airport meant that travel to Ankara from Nicosia was an all-day affair -- a productivity killer for the still part-time envoy. The Turks had suggested instead that he conduct his monthly trip north via a chartered aircraft from the Akrotiri Sovereign Base Area; they would cover fuel and crew costs if Downer could secure the plane. While Zerihoun and others in UNFICYP were queasy over the arrangement, citing UN rules, Downer was giving it full consideration.

Comment

116. (C) Downer is correct that the June UNFICYP renewal discussion in the UN Security Council likely will be a significant milestone in this phase of the Cyprus talks. So far, both sides continue to put forth rather maximalist positions. By the time Downer presents his first report in May, however, we should have a much better idea of real intentions. It will be then that we should consider a public UNSC discussion on the future of UNFICYP and other measures the U.S. might take, either unilaterally or multilaterally in New York. Downer's assessment of European Union performance during these talks is all-too-accurate, however. Urbancic